

(V) WINDSHIELD REPLACEMENT:

~~(e) (E) (1) A premium finance company, or an agent or producer, if applicable, may not require an insured or a prospective insured, as a condition to financing the premium for an insurance contract issued by the Maryland Automobile Insurance Fund, to purchase or finance any add-on, as defined under § 243BC of this article.~~

~~(2) FOR AN INSURED WHO PURCHASES ADD-ON COVERAGE AND WHO FINANCES THE PREMIUM FOR THE ADD-ON COVERAGE, SEPARATE PREMIUM FINANCE AGREEMENTS SHALL BE ISSUED FOR THE ADD-ON COVERAGE AND THE RELATED INSURANCE.~~

~~(d) (F) A premium finance company, or an agent or producer, if applicable, shall provide an insured with, or cause an insured to be provided with, a legible copy of the fully completed and executed finance agreement at the time the agreement is signed.~~

~~(G) A PRODUCER MAY NOT SELL ADD-ON COVERAGES OR ANY COMBINATION OF ADD-ON COVERAGES IN AN AMOUNT IN EXCESS OF \$200 PER AUTOMOBILE IN CONNECTION WITH A PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICY.~~

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~~(a) The finance charge shall be computed [on the entire premium loan advanced, after subtracting any down payment on the premium loan made by the insured, from the inception date of the insurance contract, or from the due date of the premium, disregarding any period of grace or credit allowed for payment thereof, to and including the date when the final installment under the premium finance agreement is payable,] at a rate [not exceeding 1.15 percent for each thirty days, charged in advance] OF INTEREST NOT EXCEEDING 16% PER YEAR ON THE UNPAID BALANCE OF THE LOAN. Insurance premium finance companies may charge an initial service fee for actual expenses not to exceed \$20 which may not be refunded upon cancellation or repayment, and no part of any fee, initial or otherwise, shall be paid to any insurance agent, broker, or any employee of an insurance agent or broker, or to any person as an inducement to the financing of any insurance policy with the premium finance company.~~

~~(b) [No] A premium finance company [shall induce] MAY NOT:~~

~~(1) INDUCE an insured to become obligated under more than one (1) premium finance agreement for the purpose of obtaining more than one (1) initial service charge; OR~~

~~(2) CHARGE MORE THAN ONE (1) INITIAL SERVICE CHARGE TO AN INSURED WHO PURCHASES ADD-ON COVERAGES IN A SEPARATE CONTRACT FROM THE RELATED INSURANCE CONTRACT.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1994.

Approved May 26, 1994.